factors like the international prices, the status of domestic producer and user industry, the level of protection etc.

Depression in economy

221. SHRI R.P. GOENKA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made an indepth-study and analysis of the report of the group of consultants from international consultancy firm Mckinsey & Company suggesting higher productivity route to achieve 10 per cent per annum economic growth rate by the year 2005; and

(b) if so, the results of the studies and modifications, if any, proposed to be made in the growth model worked out to take the sluggish economy out of its present depression?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATTL): (a) and (b)The Mckinsey Global Institute, in collaboration with Mckinsey's India Office have conducted a study on the Indian economy entitled India: The Growth Imperative Understanding the barriers to Rapid Growth and Employment Creation. Its major findings is that India can achieve a growth rate of 10 per cent per annum. Besides, the study has identified 3 main categories of barriers, viz., product market barriers, land market barriers and Government ownership that constrain India's GDP growth. With a view to dismantle the three main barriers the study has suggested 13 point reform programme. The suggestions made by various organisations/ institutions and othes are considered keeping in view the trends in the economy and Government's broad policy objectives. With a view to acheive higher growth the braod strategy outlines in the Budget for 2001-2002 has emphasised speeding up of agricultural sector reforms and better management of the food economy; intensification of infrastructure investment, continued reform in the financial sector and capital markets, and deepening of structural reforms through removal of remaining controls constraining economy activity; human development through better educational opportunities and programmes of social security; stringent expenditure control of non productive expenditure, acceleration of the privatisation process and restructuring of public enterprises and; revenue enhancement through widening of the tax base and administration of a fair and equitable tax regime. The strategy is expected to have a favourable impact on overall growth.